



SOCIO-ECONOMIC IMPACT OF MSMEs ON EMPLOYEES WORKING IN MSME UNITS IN PAPUM PARE, ARUNACHAL PRADESH

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ABSTRACT

The number of employment generation, resource utilisation, developing infrastructure, promoting higher standard of living, bringing equality in rich and poor people, eradicating the poverty, educating the people, increasing the per capita income, educating for better life, educating for self-dependency, spreading rationality, awareness among the public, allowing to participate in economic growth of the nation etc. are some of the important socio-economic impact of MSMEs, irrespective of how long and difficult process is to set up an MSMEs and running it successfully. The study will shows the socio-economic impact of MSMEs on employees working in the MSME units in the sample area of study. The Primary data has been collected and MS excel has been used to analysis the study.

KEY WORDS: Socio-Economic, MSMEs, Employees.

Introduction:

The Socio- Economic status of an economy which is usually measure by education, income, occupation or composite of all these is affected by various factors like agricultural activities in the economy, industrialisation, business activities, trade and commerce etc. The study will examine the socio-economic impact of Micro Small and Medium Enterprises (MSMEs) on employees working in MSME units Papum pare district Arunachal Pradesh. The district Papum pare is the Capital district of A.P.

Research Methodology:

The Primary data for the study was collected from 80 respondents, the employees working in the MSMEs Units in structured schedule. The study is an exploratory study.

The Papum pare district, Arunachal Pradesh is the area of study. The concentration of MSME Units was considered for selection of the area. The MSME Units taken for study includes Fabrication Units, Furniture Units, Handloom, Knitting and Weaving Units, Bamboo Processing Units etc.

MS Excel has been used for analysis of data.

Review of Literature:

Mallika (2012) Small-scale industries can mobilize a good amount of savings and entrepreneurial skill from rural and semi-urban areas which are remain untouched to the clutches of large industries and put them into productive use by investing in small-scale units. Small entrepreneurs also helps in improving state of social welfare of a country by harnessing dormant, previously overlooked talent.

Mishra (2012) MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSME suits the Indian economic environment with scare financial resources and more of human resources. It plays a key role in transitions and developing countries. These firms typically account more than 90 percent of all firms outside the agricultural sectors, constitute a major source of employment and generate significant domestic and exports earnings.

Subha (2012) the study was conducted to understand the effectiveness of MSMEs in Coimbatore district and the performance was evaluated. In a developing country like India, there is a great need for providing better and efficient service to the public. The study exhausts that the MSMEs in India is performing well, when compared to other programme for the development of SMEs in other developing countries.

Socio-Economic impact of MSMEs on employees working in MSME units in Papum Pare, Arunachal Pradesh:

The employees in the MSMEs in these regions are working in three basic categories the permanent employees, seasonal and temporary. The number of local employees (local employees here means the native of Arunachal Pradesh) is 21.25 percent permanent and seasonal and remaining 78.75 percent are temporary coming from other states like Assam, West Bengal, Tripura, etc.

The socioeconomic parameters used to study the socio-economic impact of MSMEs on the employees of MSME Units in the sample area of study are Gender, Age, Marital status, Monthly Income, Monthly Savings, Qualification,

Annual Medical Expenses, House Owned and Type of House, Energy Used and Assets Owned.

Gender composition is an important social dimension to study the socio-economic development in a region; more gender equality shows better growth of society. Certain activities in MSMEs are women centric, where participation of female is more than male like in weaving cloths, knitting, food industry (pickle, biscuits) etc. The Table 1.1 shows the gender wise number of employees working in the MSME Units in both the districts. The figures of Papum pare district shows that 35 percent of females and 65 percent of males out of total 80 are working in the MSME Units.

Table-1.1
Gender Wise Number of Employees in MSMEs

Sl. No.	Gender	Category of Employees			
		Gender Wise			
		Permanent	Seasonal	Temporary	Total
1	Female	9	6	13	28
2	Male	7	11	34	52
Total		16	17	47	80

Source: Field Survey

Category wise classification shows out of 52 male employees 13.46 percent are permanent, 21.2 percent are seasonal and 65.4 percent are temporary, The figures for female employees, 32.14 percent are permanent, 21.4 percent are seasonal 46.4 percent are temporary. The female participation in the MSMEs is less than the male participation.

Age is one of the important social factors which influence the social, economic and demographic situation of any country. The study of age group (Table 1.2) reveals the highly employed age group is 25 to 34 in the district which constitutes 31.25 percent of the data. The lowest percentile is of age group 45-54 years in both the districts with 17.5 percent.

Table-1.2
Age Group of Employees

Age wise distribution				
Age in Years	Permanent	Seasonal	Temporary	Total
(a) Less than 25	9	4	13	26
(b) 25 – 34	5	11	9	25
(c) 35 – 44	1	2	12	15
(d) 45 – 54	1	0	13	14
(e) 55 or above	0	0	0	0
Total	16	17	47	80

Source: Field Survey

The marital status in India is very important to decide whether the females will be allowed to work or not. The increasing married women participation in working cultures, emphasise the changing social scenario of the nation. The data (Table

1.3) of the study found that 49 employees 61.25 percent are married in which 17.5 percent are female employees and 43.75 percent are males. It reveals the society started accepting the female participation in work after marriages. More industrialisation will change the scenario at a greater extend.

Table-1.3
Marital Status of the Employees

Marital Status	Marital Status of Employee	
	Papum pare	percent
Married	49	61.25
Unmarried	25	31.25
Widow/Widower	3	3.75
Not Disclosed	3	3.75
Total	80	

Source: Field Survey

Table 1.4 shows the monthly income of employees in different categories. The statistics shows 56.25 percent employees are in the group earning Rs. 5,000 to 10,000 per month. There are 17.5 percent employees and 25 percent employees who earn upto than Rs. 5, 000 and 31.25 percent earns between Rs. 10,000-15,000 per month. There are very less number of employees 8.75 percent earning Rs. 15,000 or more in a month.

Table-1.4
Income of the Employees

Monthly Income (in Rupees)	Employees categories			
	Permanent	Seasonal	Temporary	Total
(a) Upto INR 5,000	2	2	10	14
(b) Rs. 5,000 – 10,000	7	11	27	45
(c) Rs. 10,000 – 15,000	5	2	7	14
(d) Rs. 15,000 or more	2	2	3	7
Total	16	17	47	80

Source: Field Survey

The MSMEs pays a moderate salary to their employees falling in Temporary and seasonal category. Very less number of employees in both the sample area shows gets salary more than Rs. 15,000 or more. The low salary in these Units fails to motivate the employment in this sector.

The employees of MSMEs have are mostly indebted because of poor salary. They have to depend on borrowings if any emergencies occur or for other needs which are not fulfilled by their salary. The monthly savings done by the employees working in the MSME Units in the sample study area shows, 13.75 percent of employees can hardly save anything from there earning. There are 27.5 percent employees who are saving Rs. 500 per month. There are 35 percent employees saves Rs. 500 to 1,000 per month after meeting their all expenses. In monthly saving of Rs. 1000 to 1500, there are 11.25 percent employees. There are 5 percent employees who save Rs. 1500 to 2,000 per month. In monthly saving of Rs. 2,000 to 2,500 or more, there are 7.5 percent employees.

A good health is the state where a person is physically and mentally fit and free from illness. 30 percent employees are making less than Rs. 1000 expense for medical, 36.25 percent employees have to borne around Rs. 1,000- 1,500 medical expenses. There are 7.5 percent employees in the sample study who borne annual medical expenditure of Rs. 1,500 to 2,000, 15 percent employees who's medical expense goes around Rs. 2,000 to 2,500 and 11.25 percent employees who bears nearly Rs. 2,500 to 3,000 or more medical expense annually.

The literacy rate is one of the prime indicators of socio-economic variable that influences the development of a country. The qualification level of the employees working in the MSME Units in the study areas shows out of 80 numbers of employees, there are zero number of employees with post graduate degree working in the MSME Units (Table 1.5). The data of the district, further shows there are 12.5 percent graduate employees, 32.5 percent HSC passed employees, 25 percent SSC passed, 16.3 percent employees, have done schooling below SSC, and 13.8 percent employees with no education those who are working the Units.

Table 1.5
Qualification of the Employees

Qualification	Number of Employees
Post Graduate	0
Under Graduate	10
HSC	26
SSC	20
Below SSC	13
Nil	11

Source: Field Survey

(Note- HSC – Higher Secondary, SSC- Senior Secondary)

Housing is one of the basic needs of human beings and constitutes the protective base for an individual and his family. The self- owned house makes the person economically strong and keeps him satisfied of owning a property. Table 1.6 shows the type of house own by the employees.

Table 1.6
Qualification of the Employees

Type of House		
House	Number of Employees	percent
Own	7	8.8
Rent	73	91.3
Types of House	Number of Employees	percent
Katcha	27	33.75
Semi- Pucca	30	37.5
Pucca	23	28.75
Total	80	

Source: Field Survey

In 8.8 percent employees have their own houses and 91.3 percent employees' lives in rented house. Since employees in Papum pare are mostly from outside states they can't buy land or flat in the State Arunachal Pradesh, hence had to stay in rented house, this increases their expenditure and reduces the savings they want to make. 33.75 percent employees' lives in Katchha house, 37.5 percent lives in semi-pucca house and 28.75 percent employees' lives in Pucca house.

According to the 2011 Census, two - third of the households continues to use fire-wood, crop residue and cow dung cakes for energy source in kitchen, putting the women to health hazards and hardship. The data on energy used in kitchen by the employees of the MSME Units of the sample areas of study shows 63.75 percent employees uses LPG, 11.25 percent uses kerosene, 15 percent uses electricity and 10 percent uses firewood for cooking purposes.

The assets owned by an individual are an economic indicator for defining the socio-economic conditions. In which mass media plays an important role, owning a Television, cell phone, is a type of basic needs of individuals. The study made an attempt to find out the different types of assets owned by the MSMEs employees in the sample areas of study. 63.75 percent employees have Television, 28.75 percent have refrigerator, 91.25 percent have Cell Phone, 3.75 percent have computers, 18.75 percent have two wheelers and 4 have four wheelers.

Conclusion:

Gender is an important social variable for determining the socio-economic conditions. The study shows there is 35% of female in Papum pare MSMEs. The young population shows the strength and enhances the chances of productivity and production. 32.5 percent is comprised by the age group of less than 25 years. The marital which is again an important social indicator, reveals the social scenario of a country. The more number of married women 57.1 percent participation in working environment. 56.25 percent of employees are getting monthly salary in a range of Rs. 5,000 to 10,000 per month, the range of income in both the district shows poor economic conditions of the employee. 27.5% the highest number of employees saves Rs.500 per month; the saving amount of the MSME employees reveals their poor economic conditions where they are working only for their livelihood. 36.25% of employees do a medical expense of Rs. 1,000 to 1,500 on annual basis. The MSME employees working are mostly HSC qualified, it is 32.5 percent and less number of graduates or post graduates prefers to work in MSMEs. The majority of the employees have LPG connection as source of energy in kitchen compare to other sources, 58.75%. Irrespective of the earnings people are trying to use clean fuel. 37.5 percent employees are living in semi-pucca house. Cell phones are required by them to stay connected with their families, especially the employees of the MSMEs. Only 18.75 percent employees own two wheelers. The study shows the socio-economic impact of MSMEs is not good as it should be. People had to compromise with survival and with mere basic needs. If the sector is boosted properly it can definitely help in the improvement of socio economic factors of the society.

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